

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
February 16, 2021

Directors participating: Joseph Camargo; Philip Gennace (DOBI); Sandi Kelly (Horizon); Robert Morrow (United); Colleen Picklo; Thomas Pownall (Aetna), Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Eleanor Heck, Deputy Attorney General.

I. Call to Order

E. DeRosa called the meeting of the IHC Board to order at 1:00 P.M. She stated that, pursuant to P.L. 2020, c. 2, as a result of the public health state of emergency declared by Governor Murphy on March 9, 2020 through Executive Order 103, subsequently extended,¹ due to the COVID-19 pandemic, the IHC Board's meeting is being held telephonically, and not at the Board's offices in Trenton. She further stated that, in accordance with P.L. 2020 c. 11, electronic notice of this meeting and the means by which the public could attend the meeting telephonically was posted on the Board's website, and issued electronically to all known interested parties. She noted that this meeting is a substitute meeting for the originally scheduled February 9, 2021 IHC Board meeting, which could not be held due to technical difficulties with telecommunications.

E. DeRosa determined a quorum was present. She stated that voting would be by roll call.

Members of the public were asked to identify themselves; public attendees, if any, are identified at the end of these minutes.

II. Minutes – January 12, 2021

C. Picklo made a motion, seconded by T. Pownall, to approve the minutes of the meeting of January 12, 2021, without amendment. By roll call vote, the motion carried.

III. Report of Staff – Expense Report

R. Lenox presented the expense report for February 2021, totaling \$9,418.24 for salaries and shared expenses. R. Lenox stated that the Board can approve an internal transfer by the DOBI fiscal office of the specific amount due from the IHC Board's DOBI account to the SEH Board's DOBI account for the salaries and shared expenses. R. Lenox also suggested the Board should approve the transfer of additional funds, recommending a transfer of \$70,000 from the Board's Treasury account to its DOBI account for the purpose of funding future operating expenses, and a transfer of \$50,000 from the IHC Board's Treasury account to the Board's Wells Fargo Money Market Account for the purpose of paying future expenses.

¹ Executive Order 103 (Murphy) has been continuously extended multiple times since originally issued, the most recent extension occurring on January 19, 2021, pursuant to Executive Order 215 (Murphy).

S. Kelly made a motion, seconded by C. Picklo, to approve: the payment of the expenses on the February expense report via DOBI intra-account transfer of \$9,418.24 from the IHC Board to the SEH Board; the transfer of \$70,000 from the IHC Board's interest-bearing funds in Treasury to the Board's DOBI funds for payment of future expenses; and, the transfer of \$50,000 from the IHC Board's interest-bearing funds in Treasury to the Board's Wells Fargo Money Market account for payment of future expenses. By roll call vote, the motion carried.

IV. Reinsurance Program update

E. DeRosa stated that carriers submitted their 4Q2020 reinsurance payment requests at the end of January 2021, along with estimated run-out amounts (incurred but not reported claims), which should have been intentionally conservative. She reported that, with carrier amounts aggregated:

- the total paid claims amount for the fourth quarter is \$255,844,081.04,
- the total reinsurance-eligible run-out is \$50,810,288.26, and
- the total reported reinsurance-eligible payments for CY2020 equals \$306,654,369.30

E. DeRosa noted that the reported payment requests for CY2020 exceeds the reported payment requests for CY2019 by \$12,965,331.13, She stated she thought this was interesting, given that there have been suggestions that claims would be lower as a result of people postponing and avoiding health care services as a result of COVID-19, but the IHC reinsurance data does not support that.

E. DeRosa explained that WithumSmith+Brown (WSB) has initiated the Agreed Upon Procedures (AUP) to confirm the eligibility of claims for reinsurance payments, having contacted carriers to obtain member level files. She further explained that, although reinsurance payments to carriers is not required until November 1, the timing of the AUPs is tied to New Jersey's budget cycle, in order to obtain an appropriation by June 30th for payment of amounts that may exceed what has been allocated to the Health Insurance Premium Security Fund. She noted that the AUPs need to be substantially completed by May 15. She pointed out that for 2019, there was a little more flexibility because of the agreement to alter the State budget cycle for FY2021 due to the pandemic, but that she anticipated that the budget deadline for FY2022 would be June 30th, as is normal.

V. COVID-19 Special Enrollment Period

E. DeRosa reminded Board members that Commissioner Caride issued Bulletin No. 21-03 on January 29, 2021 establishing the COVID-19 emergency Special Enrollment Period (SEP) for New Jersey's individual Marketplace, in coordination with the IHC Program. E. DeRosa explained that carriers must make all individuals plans, whether offered on or off the Marketplace (Get Covered NJ) available on an open enrollment basis through May 15, 2021, with coverage effective the first of the next month following the date of enrollment. It was noted that people who have other SEP triggering events can still use those if it benefits them to do so in order to have an earlier effective date of coverage. It was further noted that, although people who shop outside of Get Covered NJ will have a broader set of plans available to them, the assumption is that most people who are interested in obtaining coverage will be looking for subsidies to help with the cost of coverage.

E. DeRosa reminded Board members that the IHC policies include a provision requiring carriers to provide a credit to a covered person for payments made in satisfaction of a deductible on a prior policy towards the deductible of a new plan that is purchased during the same plan year, if there is

no gap in coverage between the old and new plan. It was pointed out that, because the credit only arises when there is no gap in coverage, it behooves carriers to recommend to people changing plans not to discontinue a current plan before the effective date of the new plan (in many instances, that means retaining the current policy through the end of the month).

VI. Rule Proposal Amending Policy Forms

In response to questions, E. DeRosa acknowledged that she had no update to provide on the rule proposal.

VII. Close of Meeting

S. Kelly made a motion, seconded by T. Pownall, to adjourn the meeting. By roll call vote, the motion carried.

[The meeting ended at 1:25 P.M.]

Identified Public Attendees:

No members of the public identified themselves as participating in the meeting.